
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 1.27.2010

Wall Street Journal: "'It All Came Together': Emails Reveal Fed Staffers During AIG Crisis ... At 10.47 p.m. on Nov. 9, 2008, the culmination of a frenetic week in which government officials hatched a deal to prevent American International Group Inc. from a major ratings downgrade and possible bankruptcy, a senior Federal Reserve official sent a congratulatory email."

Wall Street Journal: "Wall Street Toughens Rules on Clawbacks ... Banks and securities firms are toughening rules that give them power to seize pay from employees whose bets or other actions blow up later. But they still mightn't be tough enough."

Wall Street Journal: "Over Half of Senate Backs Bernanke ... More than half the Senate has declared support for giving Federal Reserve Chairman Ben Bernanke a second term as members prepared for a vote to limit debate."

Wall Street Journal: "Soros Calls Obama Bank Plan 'Premature' ... George Soros said the Obama administration's plans to tax and curb the activities of big banks are "premature.""

Wall Street Journal: "The AIG Hearings: Meet The Players ... The bailout of American International Group is the story that just won't go away-no matter how much Treasury Secretary Tim Geithner, Federal Reserve Chief Ben Bernanke and former Treasury Secretary Hank Paulson wish it would."

Wall Street Journal: "AIG Testimony: Officials Line Up Defense Ahead of AIG Hearing ... The U.S. government and AIG had no leverage with the company's major trading partners in November 2008 and had to act aggressively to forestall economic contagion, government and company officials will tell a U.S. House panel Wednesday."

Wall Street Journal: "AIG Testimony: Paulson - 'Confident' Fed AIG Decisions 'Appropriate' ... The government rescue of American International Group Inc. was necessary to protect the U.S. economy, former Treasury Secretary Henry Paulson will tell a U.S. House panel on Wednesday."

Wall Street Journal: "The Never-Ending Goldman-AIG Saga ... Even among those who usually find themselves in agreement, much screaming and fighting has centered on Goldman and the AIG bailout."

Wall Street Journal: "A Fannie and Freddie Earmark ... Taxpayers may look at the unlimited federal credit line now enjoyed by Fannie Mae and Freddie Mac and see disaster. But New York Senator Chuck Schumer sees opportunity."

Washington Post: "Treasury Secretary Geithner faces harsh criticism from legislators over bailouts ... When Timothy F. Geithner emerged as the leading candidate for Treasury secretary in late 2008, he privately urged Barack Obama to think twice about whether to hire him. Geithner had been a key architect of the government's bailout of Wall Street and would carry that history into the new job, he reminded the incoming president."

Washington Post: "Ex-Treasury secretary Paulson, Friedman to testify in House about AIG bailout ... They will join Treasury Secretary Timothy F. Geithner, who headed the New York Fed at the time of AIG's rescue, in testifying before the House Committee on Oversight and Government Reform."

NY Times: "Ailing Banks Favor Salaries Over Shareholders ... Finding the winners on Wall Street is usually as simple as looking at pay. Rarely are bankers who lose money paid as generously as those who make it."

NY Times: "British Central Banker Favors Splitting Big Banks ... Mervyn A. King, the governor of the Bank of England, is an owl-like, self-effacing man who, in contrast to his more outspoken peers in Frankfurt and Washington, strikes a public posture that borders on the demure."

NY Times: "Two at Fed Had Doubts Over Payout by A.I.G. ... Weeks after rescuing the American International Group with an \$85 billion taxpayer loan in late 2008, Federal Reserve Board officials rejected a proposal that would have forced the insurer's trading partners to return \$30 billion in cash that they had received from A.I.G. in the preceding months."

LATimes: "House hearing today on AIG rescue ... The controversy over American International Group Inc.'s \$182.5-billion bailout is intensifying with a government watchdog launching an investigation into potential misconduct in the disclosure of the rescue's details and a House committee preparing to grill the current and former Treasury secretaries about them today."

USA Today: "Treasury's Geithner faces critics today on AIG bailout secrecy ... Treasury Secretary Timothy Geithner will face fresh questions Wednesday about transparency and his ties to the Wall Street banks he helped save when he testifies before a House panel about the bailout of American International Group Inc. He is unlikely to reveal much."

USA Today: "Our view on the economy: Bernanke merits new term as Federal Reserve chairman ... Ben Bernanke is Time's Person of the Year because, according to the magazine, he "prevented an economic catastrophe."

USA Today: "Opposing view: Bernanke must go ... Today, the United States is in the midst of the worst economic crisis since the Great Depression. More than 17% of the American workforce is either unemployed or underemployed. Millions more have lost their homes, their savings, their health care and their pensions."

Washington Times: "EDITORIAL: Dump Bernanke ... The Obama administration insists that Federal Reserve Chairman Ben S. Bernanke must be reconfirmed for a second term or financial markets will panic."

Bloomberg: "Fed May Take Chance Ending Debt Purchases Won't Hurt Housing ... The Federal Reserve may take a chance the housing market can stage a comeback without its support by announcing today it will stick to the plan to end a \$1.25 trillion program of mortgage-debt purchases in March."

The Hill: "Geithner to face tough questions from left, right during hearing ... Treasury Secretary Timothy Geithner is expected Wednesday to face perhaps his toughest round of congressional questioning in his one-year tenure from Republicans and Democrats alike."

The Hill: "Paulson to testify that AIG bailout was correct ... Former Treasury Secretary Henry Paulson on Wednesday will defend the government bail out of American International Group (AIG)."

Politico: "Timothy Geithner to deny role in AIG decision ... Treasury Secretary Timothy Geithner will tell a Congressional oversight committee that he had no role in deciding how and if AIG would disclose of the full payment of pricey insurance contracts to financial institutions after it received a government bailout, according to his prepared testimony."